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Mr Kevin Hollinrake MP
House of Commons
London
SW1A 0AA

3rd August 2018

Dear Mr Hollinrake,

Thank you for your letter dated 30 July 2018 sent to my office for distribution to the Chairman and members of the Board. I can confirm that the letter has been seen by the Board. Given our ongoing dialogue with the APPG on the issues you raise, the Board has asked me to respond on their behalf and pick up the specific points you raise when we next meet.

As I explained at our meeting on 21st June 2018, our Customer Review was established by the Group to offer the victims of the issues at HBOS Reading the opportunity to receive swift and fair compensation. The Group has expressed deep regret and apologises to customers directly affected by the criminal behaviour of certain individuals who were convicted for their involvement in the fraud linked to HBOS Reading, and has been keen to ensure we had an independently adjudicated process to compensate them for their experiences.

The reason we ask customers to provide their input to the Review is to ensure that any factors that might contribute to supporting our understanding of their experiences are fully incorporated in the assessment of our offer of compensation, including both any direct losses that they have incurred and the distress and inconvenience they have experienced in dealing with the convicted criminals.

You are aware from Professor Griggs' letter to Nicky Morgan MP on 28 June 2018 that almost 90% of the businesses within the review have received an offer – this number is now in excess of 90%. In addition, all former directors who are within the review have each received a payment of £35,000 on an ex gratia basis and all have the opportunity to request further support for day-to-day living costs whilst they remain in the review. Separately, we encourage all customers in the review to take independent legal advice and we are meeting the reasonable costs of doing so.

As we have discussed, we continue to be open to suggestions on how we can improve the way that we manage disputes with business customers, and welcome our work with you and your team on the options available to bring better structures for the industry that can improve dispute resolution in future.

I look forward to discussing these issues and the concerns that you have raised when we next meet on 10 October 2018. As I have outlined previously, I remain happy to agree an earlier date to meet if you have any availability to do so.

Kind regards.

Yours sincerely,

A handwritten signature in black ink, appearing to read "David Oldfield".

David Oldfield
Group Director, Commercial Banking